



Internal Audit Report.

Council:	Scothern Parish Council
Internal Auditor:	Elaine Atkin
Year Ending:	31 st March 2026
Date of Report	28/11/2025

This internal audit has been conducted in accordance with SAPP Practitioners' Guide - March 2025 - Section 4 'Internal Audit'. It is recommended that a council completes an intermediate mid-year audit which allows any weaknesses in governance and internal controls to be corrected during the financial year and an end-of-financial-year audit.

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council to detect error or fraud. This report is based on the evidence made available to me and sampling tests undertaken by me and consequently the report is limited to those matters set out below.

The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to further audit enquiries being raised and the external auditor issuing a qualified opinion.

Lincolnshire Association of Local Councils
Internal Audit Report.

To the Chairman of Scothern Parish Council

I have examined council business documents including policies, agendas & minutes, accounting and financial statements and other documents relevant to this internal audit.

I confirm that I am independent of the council, its officers and councillors and its activities and I identified no conflicts of interest to my work with this council to the best of my knowledge.

The results of this internal audit are recorded on the next page. If any part of the audit was found to 'unsatisfactory' I have provided recommendations to improve the weakness identified.

I would like to thank Lisa for her hospitality.

Yours sincerely

Elaine Atkin

Internal Auditor

Lincolnshire Association Local Councils

Date: 28th November 2025

Area of work checked	Outcome
Implementation of previous auditor recommendations	Evidence produced
Implementation of previous AGAR weaknesses/ recommendations	Evidence Produced
Key Governance Review	Weaknesses identified
Transparency	Evidence Produced
Accounting	Evidence Produced
Budget	Evidence Produced
Income Control	Weaknesses identified
Bank Reconciliation	Evidence Produced
Petty Cash	Not applicable
Asset Control	Weaknesses identified
Risk Management	Weaknesses identified
General Administration	Evidence Produced
Proper Process/Practice	Weaknesses identified
Payroll/HR	Evidence Produced
Information and Data Compliance	Weaknesses identified
Transaction spot checks	Evidence Produced
Year-end process	Not audited
Allotments	Not applicable
Cemetery/burials	Not applicable
Charities	Not applicable
Community Buildings	Not applicable
Markets	Not applicable
Other:	Choose an item.
Other:	Choose an item.

Whilst there are a few ‘Weaknesses identified’ assessments as above, most relate to observations or suggestions for improvement (and which are easily remedied), as detailed below.

Recommendations

1. Key governance review: Recommend that the HR Group Terms of Reference defines that membership should be councillors only (no members of public) and defines how many councillors are members.
2. Transparency: For transparency, I would recommend that notes of the Grange Park working group are published.
3. Income control: I recommend that council seeks advice as to whether the fees they charge for advertising in the Scothern News are subject to VAT.

4. Asset control: I recommend that the clerk seeks to find documentation that clarifies responsibility for the council to manage trees in the closed cemetery.
5. Risk: Observation that there is no need to have separate meetings for the Annual Meeting of the Parish Council and then the May Parish Council meeting. This duplicates agendas and minutes unnecessarily. The meeting in May is a normal meeting but just with some extra items (such as electing Chair etc), which makes it the Annual Meeting.
6. Risk: Council has chosen to hold its public participation in the middle of its meetings. Whilst this is permitted (although not best practice), it needs to be clearly minuted that the meeting is closed to permit members of the public to speak, and then the meeting is re-opened to continue with the next agenda item.
7. Risk: For clarity, the clerk may want to consider using the exact wording of the agenda item in the minutes. (The agenda items tend to have a title and then an explanation of the item, whilst the minutes just have the title so it's not completely clear what the agenda item is about).
8. Risk: Commercially sensitive information should be considered in a closed session, for example when reviewing quotes. The chosen supplier (including the quoted cost) should then be minuted. By sharing all the quote information in an open session (and minuting the details) you are potentially sharing commercially sensitive information from a supplier with its competitors.
9. Risk: I would recommend that data is backed up to a cloud-based solution, to reduce the risk of council's data being lost.
10. Proper process: There is no need to have a standing agenda item to move into closed session for confidential items. This should only be on the agenda if there are known to be confidential items. (In the event that an item is deemed to be confidential during the meeting, Standing Orders permits the movement 'to exclude the press and public from a meeting in respect of confidential or other information which is prejudicial to the public interest' without written notice to the Proper Officer i.e. without it being on the agenda).
11. Proper process: To meet the requirements of the (Local Authorities (Members' Allowances) (England) Regulations 2003 regulation 31), I recommend the clerk adds a webpage or document to the website, confirming that there are no member allowances, no councillor expenses, and with details of the chair's allowance.
12. Information & data compliance: Website accessibility will need testing and the accessibility statement updating, as required by the new Assertion 10. Also, the email address on the Accessibility Statement will need updating.

Recommendations regarding the Annual Governance Statement 2025-26

The requirements to state 'Yes' for each assertion is described in Chapter One Practitioners Guide 2025-26.

Annual Governance Statement Assertion	Internal Auditor comments
<p>Assertion 1 - Financial management and preparation of accounting statements <i>We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.</i></p>	
<p>Assertion 2 - Internal control <i>We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.</i></p>	
<p>Assertion 3 - Compliance with laws, regulations and proper practices <i>We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances.</i></p>	
<p>Assertion 4 - Exercise of public rights <i>We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.</i></p>	
<p>Assertion 5 — Risk management <i>We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required</i></p>	
<p>Assertion 6 — Internal Audit <i>We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.</i></p>	
<p>Assertion 7 — Reports from Auditors <i>We took appropriate action on all matters raised in reports from internal and external audit</i></p>	
<p>Assertion 8 — Significant events <i>We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements.</i></p>	
<p>Assertion 9 — Trust Funds (local councils only) <i>Trust funds (including charitable). The council is a sole managing trustee and has discharged its accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.</i></p>	
<p>Assertion 10 - Digital and data compliance <i>We considered and implemented the requirements to protect data and information.</i></p>	

-End of Internal Auditor's Report-